

2 26 and 99F.11. The next fifteen million dollars of the
2 27 moneys directed to be deposited in the general fund of
2 28 the state in a fiscal year pursuant to sections 99D.17
2 29 and 99F.11 shall be deposited in the vision Iowa fund
2 30 created in section 12.72 for the fiscal year beginning
2 31 July 1, 2000, and for each fiscal year through the
2 32 fiscal year beginning July 1, 2019. The next five
2 33 million dollars of the moneys directed to be deposited
2 34 in the general fund of the state in a fiscal year
2 35 pursuant to sections 99D.17 and 99F.11 shall be
2 36 deposited in the school infrastructure fund created in
2 37 section 12.82 for the fiscal year beginning July 1,
2 38 2000, and for each fiscal year thereafter until the
2 39 principal and interest on all bonds issued by the
2 40 treasurer of state pursuant to section 12.81 are paid,
2 41 as determined by the treasurer of state. The total
2 42 moneys in excess of the moneys deposited in the
2 43 general fund of the state, the grow Iowa values fund,
2 44 the vision Iowa fund, and the school infrastructure
2 45 fund in a fiscal year shall be deposited in the
2 46 rebuild Iowa infrastructure fund and shall be used as
2 47 provided in this section, notwithstanding section
2 48 8.60.

2 49 If the total amount of moneys directed to be
2 50 deposited in the general fund of the state under
3 1 sections 99D.17 and 99F.11 in a fiscal year is less
3 2 than the total amount of moneys directed to be
3 3 deposited in the grow Iowa values fund, the vision
3 4 Iowa fund, and the school infrastructure fund in the
3 5 fiscal year pursuant to this paragraph "e", the
3 6 difference shall be paid from lottery revenues in the
3 7 manner provided in section 99G.39, subsection 3.

3 8 Sec. . NEW SECTION. 12.91 GENERAL AND
3 9 SPECIFIC BONDING POWERS.

3 10 1. The treasurer of state may issue bonds for the
3 11 purpose of funding the grow Iowa values fund created
3 12 in section 15G.108. The treasurer of state shall have
3 13 all of the powers which are necessary to issue and
3 14 secure bonds and carry out the purposes of the fund.
3 15 The treasurer of state may issue bonds in principal
3 16 amounts which are necessary to provide sufficient
3 17 funds for the grow Iowa values fund, the payment of
3 18 interest on the bonds, the establishment of reserves
3 19 to secure the bonds, the costs of issuance of the
3 20 bonds, other expenditures of the treasurer of state
3 21 incident to and necessary or convenient to carry out
3 22 the bond issue for the fund, and all other
3 23 expenditures of the board necessary or convenient to
3 24 administer the fund. The bonds are investment
3 25 securities and negotiable instruments within the
3 26 meaning of and for purposes of the uniform commercial
3 27 code.

3 28 2. Bonds issued under this section are payable
3 29 solely and only out of the moneys, assets, or revenues
3 30 of the grow Iowa values fund and any bond reserve
3 31 funds established pursuant to section 12.92, all of
3 32 which may be deposited with trustees or depositories
3 33 in accordance with bond or security documents and
3 34 pledged to the payment thereof. Bonds issued under
3 35 this section shall contain on their face a statement
3 36 that the bonds do not constitute an indebtedness of
3 37 the state. The treasurer of state shall not pledge
3 38 the credit or taxing power of this state or any
3 39 political subdivision of the state or make bonds
3 40 issued pursuant to this section payable out of any
3 41 moneys except those in the grow Iowa values fund.

3 42 3. The proceeds of bonds issued by the treasurer
3 43 of state and not required for immediate disbursement
3 44 may be deposited with a trustee or depository as
3 45 provided in the bond documents and invested or
3 46 reinvested in any investment as directed by the
3 47 treasurer of state and specified in the trust
3 48 indenture, resolution, or other instrument pursuant to
3 49 which the bonds are issued without regard to any
3 50 limitation otherwise provided by law.

4 1 4. The bonds shall be:

4 2 a. In a form, issued in denominations, executed in
4 3 a manner, and payable over terms and with rights of
4 4 redemption, and be subject to the terms, conditions,
4 5 and covenants providing for the payment of the
4 6 principal of, redemption premiums, if any, interest

4 7 which may be fixed or variable during any period the
4 8 bonds are outstanding, and such other terms and
4 9 conditions as prescribed in the trust indenture,
4 10 resolution, or other instrument authorizing their
4 11 issuance.

4 12 b. Negotiable instruments under the laws of the
4 13 state and may be sold at prices, at public or private
4 14 sale, and in a manner, as prescribed by the treasurer
4 15 of state. Chapters 73A, 74, 74A, and 75 do not apply
4 16 to the sale or issuance of the bonds.

4 17 c. Subject to the terms, conditions, and covenants
4 18 providing for the payment of the principal, redemption
4 19 premiums, if any, interest, and other terms,
4 20 conditions, covenants, and protective provisions
4 21 safeguarding payment, not inconsistent with this
4 22 section and as determined by the trust indenture,
4 23 resolution, or other instrument authorizing their
4 24 issuance.

4 25 5. The bonds are securities in which public
4 26 officers and bodies of this state, political
4 27 subdivisions of this state, insurance companies and
4 28 associations and other persons carrying on an
4 29 insurance business, banks, trust companies, savings
4 30 associations, savings and loan associations, and
4 31 investment companies; administrators, guardians,
4 32 executors, trustees, and other fiduciaries; and other
4 33 persons authorized to invest in bonds or other
4 34 obligations of the state may properly and legally
4 35 invest funds, including capital, in their control or
4 36 belonging to them.

4 37 6. Bonds must be authorized by a trust indenture,
4 38 resolution, or other instrument of the treasurer of
4 39 state.

4 40 7. Neither the resolution, trust indenture, nor
4 41 any other instrument by which a pledge is created
4 42 needs to be recorded or filed under the Iowa uniform
4 43 commercial code to be valid, binding, or effective.

4 44 8. Bonds issued under the provisions of this
4 45 section are declared to be issued for a general public
4 46 and governmental purpose and all bonds issued under
4 47 this section shall be exempt from taxation by the
4 48 state of Iowa and the interest on the bonds shall be
4 49 exempt from the state income tax and the state
4 50 inheritance and estate tax.

5 1 9. Subject to the terms of any bond documents,
5 2 moneys in the grow Iowa values fund may be expended
5 3 for administration expenses.

5 4 10. The treasurer of state may issue bonds for the
5 5 purpose of refunding any bonds issued pursuant to this
5 6 section then outstanding, including the payment of any
5 7 redemption premiums thereon and any interest accrued
5 8 or to accrue to the date of redemption of the
5 9 outstanding bonds. Until the proceeds of bonds issued
5 10 for the purpose of refunding outstanding bonds are
5 11 applied to the purchase or retirement of outstanding
5 12 bonds or the redemption of outstanding bonds, the
5 13 proceeds may be placed in escrow and be invested and
5 14 reinvested in accordance with the provisions of this
5 15 section. The interest, income, and profits earned or
5 16 realized on an investment may also be applied to the
5 17 payment of the outstanding bonds to be refunded by
5 18 purchase, retirement, or redemption. After the terms
5 19 of the escrow have been fully satisfied and carried
5 20 out, any balance of proceeds and interest earned or
5 21 realized on the investments may be returned to the
5 22 treasurer of state for deposit in the grow Iowa values
5 23 fund established in section 15G.108. All refunding
5 24 bonds shall be issued and secured and subject to the
5 25 provisions of this chapter in the same manner and to
5 26 the same extent as other bonds issued pursuant to this
5 27 section.

5 28 11. The treasurer of state shall have all of the
5 29 powers which are necessary to issue and secure bonds,
5 30 including but not limited to the power to procure
5 31 insurance, other credit enhancements, and other
5 32 financing arrangements, and to execute instruments and
5 33 contracts and to enter into agreements convenient or
5 34 necessary to facilitate financing arrangements with
5 35 respect to the bonds and to carry out the purposes of
5 36 the fund, including but not limited to such
5 37 arrangements, instruments, contracts, and agreements

5 38 as municipal bond insurance, self-insurance or
5 39 liquidity trusts, accounts, pools or other
5 40 arrangements, liquidity facilities or covenants,
5 41 letters of credit, and interest rate agreements.
5 42 12. For purposes of this section and sections
5 43 12.92 through 12.95, the term "bonds" means bonds,
5 44 notes, and other obligations and financing
5 45 arrangements issued or entered into by the treasurer
5 46 of state and the term "interest rate agreement" means
5 47 an interest rate swap or exchange agreement, an
5 48 agreement establishing an interest rate floor or
5 49 ceiling or both, or any similar agreement. Any such
5 50 agreement may include the option to enter into or
6 1 cancel the agreement or to reverse or extend the
6 2 agreement.

6 3 Sec. _____. NEW SECTION. 12.92 GROW IOWA VALUES
6 4 FUND ACCOUNTS AND RESERVE FUNDS.

6 5 1. The treasurer of state shall establish such
6 6 accounts within the grow Iowa values fund created in
6 7 section 15G.108 as may be appropriate, including debt
6 8 service accounts for the purpose of paying the
6 9 principal of, redemption premium, if any, and interest
6 10 on bonds payable therefrom. Moneys in the debt
6 11 service accounts shall not be subject to appropriation
6 12 for any other purpose by the general assembly, but
6 13 shall be used only for the purposes of paying the
6 14 principal of, redemption premium, if any, and interest
6 15 on the bonds payable therefrom.

6 16 2. Revenue for the grow Iowa values fund shall
6 17 include, but is not limited to, the following, which
6 18 shall be deposited with the treasurer of state or its
6 19 designee as provided by any bond or security documents
6 20 and credited to the debt service account:

6 21 a. The proceeds of bonds issued to capitalize and
6 22 pay the costs of the fund and investment earnings on
6 23 the proceeds.

6 24 b. Interest attributable to investment of moneys
6 25 in the fund or an account of the fund.

6 26 c. Moneys in the form of a devise, gift, bequest,
6 27 donation, federal or other grant, reimbursement,
6 28 repayment, judgment, transfer, payment, or
6 29 appropriation from any source intended to be used for
6 30 the purposes of the fund or account.

6 31 3. a. The treasurer of state may create and
6 32 establish one or more special funds, to be known as
6 33 "bond reserve funds", to secure one or more issues of
6 34 bonds issued pursuant to section 12.91. The treasurer
6 35 of state shall pay into each bond reserve fund any
6 36 moneys appropriated and made available by the state or
6 37 treasurer of state for the purpose of the fund, any
6 38 proceeds of sale of bonds to the extent provided in
6 39 the resolutions or trust indentures authorizing their
6 40 issuance, and any other moneys which may be available
6 41 to the treasurer of state for the purpose of the fund
6 42 from any other sources. All moneys held in a bond
6 43 reserve fund, except as otherwise provided in this
6 44 chapter, shall be used as required solely for the
6 45 payment of the principal of bonds secured in whole or
6 46 in part by the fund or of the sinking fund payments
6 47 with respect to the bonds, the purchase or redemption
6 48 of the bonds, the payment of interest on the bonds, or
6 49 the payments of any redemption premium required to be
6 50 paid when the bonds are redeemed prior to maturity.

7 1 b. Moneys in a bond reserve fund shall not be
7 2 withdrawn from it at any time in an amount that will
7 3 reduce the amount of the fund to less than the bond
7 4 reserve fund requirement established for the fund, as
7 5 provided in this subsection, except for the purpose of
7 6 making, with respect to bonds secured in whole or in
7 7 part by the fund, payment when due of principal,
7 8 interest, redemption premiums, and the sinking fund
7 9 payments with respect to the bonds for the payment of
7 10 which other moneys of the treasurer of state are not
7 11 available.

7 12 Any income or interest earned by, or incremental
7 13 to, a bond reserve fund due to the investment of it
7 14 may be transferred by the treasurer of state to other
7 15 funds or accounts to the extent the transfer does not
7 16 reduce the amount of that bond reserve fund below the
7 17 bond reserve fund requirement for it.

7 18 c. The treasurer of state shall not at any time

7 19 issue bonds, secured in whole or in part by a bond
7 20 reserve fund, if, upon the issuance of the bonds, the
7 21 amount in the bond reserve fund will be less than the
7 22 bond reserve fund requirement for the fund, unless the
7 23 treasurer of state at the time of issuance of the
7 24 bonds deposits in the fund from the proceeds of the
7 25 bonds issued or from other sources an amount which,
7 26 together with the amount then in the fund, will not be
7 27 less than the bond reserve fund requirement for the
7 28 fund. For the purposes of this subsection, the term
7 29 "bond reserve fund requirement" means, as of any
7 30 particular date of computation, an amount of money, as
7 31 provided in the resolutions or trust indentures
7 32 authorizing the bonds with respect to which the fund
7 33 is established.

7 34 d. To assure the continued solvency of any bonds
7 35 secured by the bond reserve fund, provision is made in
7 36 paragraph "a" for the accumulation in each bond
7 37 reserve fund of an amount equal to the bond reserve
7 38 requirement for the fund. In order to further assure
7 39 maintenance of the bond reserve funds, the treasurer
7 40 of state shall, on or before January 1 of each
7 41 calendar year, make and deliver to the governor the
7 42 treasurer of state's certificate stating the sum, if
7 43 any, required to restore each bond reserve fund to the
7 44 bond reserve fund requirement for that fund. Within
7 45 thirty days after the beginning of the session of the
7 46 general assembly next following the delivery of the
7 47 certificate, the governor shall submit to both houses
7 48 printed copies of a budget including the sum, if any,
7 49 required to restore each bond reserve fund to the bond
7 50 reserve fund requirement for that fund. Any sums
8 1 appropriated by the general assembly and paid to the
8 2 treasurer of state pursuant to this subsection shall
8 3 be deposited by the treasurer of state in the
8 4 applicable bond reserve fund.

8 5 Sec. _____. NEW SECTION. 12.93 PLEDGES.

8 6 1. It is the intention of the general assembly
8 7 that a pledge made in respect of bonds shall be valid
8 8 and binding from the time the pledge is made, that the
8 9 moneys or property so pledged and received after the
8 10 pledge by the treasurer of state shall immediately be
8 11 subject to the lien of the pledge without physical
8 12 delivery or further act, and that the lien of the
8 13 pledge shall be valid and binding as against all
8 14 parties having claims of any kind in tort, contract,
8 15 or otherwise against the treasurer of state whether or
8 16 not the parties have notice of the lien.

8 17 2. The moneys set aside in a fund or funds pledged
8 18 for any series or issue of bonds shall be held for the
8 19 sole benefit of the series or issue separate and apart
8 20 from moneys pledged for another series or issue of
8 21 bonds of the treasurer of state. Bonds may be issued
8 22 in series under one or more resolutions or trust
8 23 indentures and may be fully open-ended, thus providing
8 24 for the unlimited issuance of additional series, or
8 25 partially open-ended, limited as to additional series.

8 26 Sec. _____. NEW SECTION. 12.94 LIMITATIONS.

8 27 Bonds issued pursuant to section 12.91 are not
8 28 debts of the state, or of any political subdivision of
8 29 the state, and do not constitute a pledge of the faith
8 30 and credit of the state or a charge against the
8 31 general credit or general fund of the state. The
8 32 issuance of any bonds pursuant to section 12.91 by the
8 33 treasurer of state does not directly, indirectly, or
8 34 contingently obligate the state or a political
8 35 subdivision of the state to apply moneys, or to levy
8 36 or pledge any form of taxation whatever, to the
8 37 payment of the bonds. Bonds issued under section
8 38 12.91 are payable solely and only from the sources and
8 39 special fund and accounts provided in section 12.92.

8 40 Sec. _____. NEW SECTION. 12.95 CONSTRUCTION.

8 41 Sections 12.91 through 12.94, being necessary for
8 42 the welfare of this state and its inhabitants, shall
8 43 be liberally construed to effect its purposes.

8 44 Sec. _____. Section 15G.108, Code Supplement 2003,
8 45 is amended to read as follows:

8 46 15G.108 GROW IOWA VALUES FUND.

8 47 A grow Iowa values fund is created and established
8 48 as a separate and distinct fund in the state treasury
8 49 under the control of the grow Iowa values board

~~8 50 consisting of moneys appropriated to the grow Iowa
9 1 values board. Moneys in the fund are not subject to
9 2 section 8.33. Notwithstanding section 12C.7, interest
9 3 or earnings on moneys in the fund shall be credited to
9 4 the fund. Moneys in the fund shall not be subject to
9 5 appropriation for any other purposes by the general
9 6 assembly other than as provided in this Act and 2003
9 7 Iowa Acts, First Extraordinary Session, chapter 2, but
9 8 shall be used only for the purposes of the grow Iowa
9 9 values fund. The treasurer of state shall act as
9 10 custodian of the fund and disburse moneys contained in
9 11 the fund as directed by the grow Iowa values board,
9 12 including automatic disbursements of moneys received
9 13 pursuant to the terms of bond indentures and documents
9 14 and security provisions to trustees. The fund shall
9 15 be administered by the grow Iowa values board, which
9 16 shall make expenditures from the fund consistent with
9 17 this chapter and pertinent Acts of the general
9 18 assembly. Any financial assistance provided using
9 19 moneys from the fund may be provided over a period of
9 20 time of more than one year. Payments of interest,
9 21 repayments of moneys loaned pursuant to this chapter,
9 22 and recaptures of grants or loans shall be deposited
9 23 in the fund.~~

9 24 Sec. _____. Section 15G.110, Code Supplement 2003,
9 25 is amended to read as follows:

9 26 15G.110 FUTURE CONSIDERATION.

9 27 Not later than February 1, 2007, the legislative
9 28 services agency shall prepare and deliver to the
9 29 secretary of the senate and the chief clerk of the
9 30 house of representatives identical bills that repeal
9 31 the provisions of this chapter, with the exception of
9 32 sections 15G.101, 15G.102, 15G.103, and 15G.108. It
9 33 is the intent of this section that the general
9 34 assembly shall bring the bill to a vote in either the
9 35 senate or the house of representatives expeditiously.
9 36 It is further the intent of this chapter that if the
9 37 bill is approved by the first house in which it is
9 38 considered, it shall expeditiously be brought to a
9 39 vote in the second house.

9 40 Sec. _____. Section 99G.39, subsection 3, paragraph
9 41 a, Code Supplement 2003, is amended to read as
9 42 follows:

9 43 a. Notwithstanding subsection 1, if gaming
9 44 revenues under sections 99D.17 and 99F.11 are
9 45 insufficient in a fiscal year to meet the total amount
9 46 of such revenues directed to be deposited in the grow
9 47 Iowa values fund, the vision Iowa fund, and the school
9 48 infrastructure fund during the fiscal year pursuant to
9 49 section 8.57, subsection 5, paragraph "e", the
9 50 difference shall be paid from lottery revenues prior
10 1 to deposit of the lottery revenues in the general
10 2 fund. If lottery revenues are insufficient during the
10 3 fiscal year to pay the difference, the remaining
10 4 difference shall be paid from lottery revenues in
10 5 subsequent fiscal years as such revenues become
10 6 available.

10 7 Sec. _____. 2003 Iowa Acts, First Extraordinary
10 8 Session, chapter 1, section 114, is amended to read as
10 9 follows:

10 10 SEC. 114. The divisions of this Act designated the
10 11 grow Iowa values board and fund, with the exception of
10 12 sections 15G.101, 15G.102, 15G.103, and 15G.108, Code
10 13 Supplement 2003, the value-added agricultural products
10 14 and processes financial assistance program, the endow
10 15 Iowa grants, the technology transfer advisors, the
10 16 Iowa economic development loan and credit guarantee
10 17 fund, the economic development assistance and data
10 18 collection, the cultural and entertainment districts,
10 19 the workforce issues, and the university-based
10 20 research utilization program, are repealed effective
10 21 June 30, 2010.

10 22 Sec. _____. 2003 Iowa Acts, First Extraordinary
10 23 Session, chapter 2, section 75, subsection 1, is
10 24 amended to read as follows:

10 25 1. There is appropriated from the general fund of
10 26 the state from moneys credited to the general fund of
10 27 the state as a result of entering into the streamlined
10 28 sales and use tax agreement, for the fiscal period
10 29 year beginning July 1, 2003, and ending June 30, 2010
10 30 2004, the following amounts amount to be used for the

10 31 purpose designated:
 10 32 For deposit in the grow Iowa values fund created in
 10 33 section 15G.107, if enacted by 2003 Iowa Acts, House
~~10 34 File 692 or another Act 15G.108:~~
 10 35 FY 2003=2004..... \$ 5,000,000
 10 36 ~~FY 2004=2005..... \$ 23,000,000~~
~~10 37 FY 2005=2006..... \$ 75,000,000~~
~~10 38 FY 2006=2007..... \$ 75,000,000~~
~~10 39 FY 2007=2008..... \$ 75,000,000~~
~~10 40 FY 2008=2009..... \$ 75,000,000~~
~~10 41 FY 2009=2010..... \$ 75,000,000>~~

10 42 #4. By renumbering as necessary.

10 43
 10 44
 10 45 _____
 10 46 REASONER of Union
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10 49 _____
 10 50 BELL of Jasper
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11 3 _____
 11 4 BERRY of Black Hawk
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11 7 _____
 11 8 BUKTA of Clinton
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11 11 _____
 11 12 COHOON of Des Moines
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11 15 _____
 11 16 CONNORS of Polk
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11 19 _____
 11 20 DANDEKAR of Linn
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11 23 _____
 11 24 DAVITT of Warren
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 11 26

11 27 _____
 11 28 FALLON of Polk
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11 31 _____
 11 32 FOEGE of Linn
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11 35 _____
 11 36 FORD of Polk
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11 39 _____
 11 40 FREVERT of Palo Alto
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11 43 _____
 11 44 GASKILL of Wapello
 11 45
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11 47 _____
 11 48 GREIMANN of Story
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 11 50

12 1 _____
 12 2 HEDDENS of Story
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12 5 _____
 12 6 HOGG of Linn
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12 9 _____
 12 10 HUNTER of Polk
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12 14 HUSER of Polk
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12 18 JACOBY of Johnson
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12 22 JOCHUM of Dubuque
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12 26 KUHN of Floyd
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12 30 LENSING of Johnson
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12 34 LYKAM of Scott
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12 38 MASCHER of Johnson
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12 42 McCARTHY of Polk
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12 46 MERTZ of Kossuth
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12 50 MILLER of Webster
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13 4 MURPHY of Dubuque
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13 8 OLDSOON of Polk
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13 12 D. OLSON of Boone
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13 16 OSTERHAUS of Jackson
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13 20 PETERSEN of Polk
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13 24 QUIRK of Chickasaw
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13 28 SHOMSHOR of Pottawattamie
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13 32 SHOULTZ of Black Hawk
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13 36 SMITH of Marshall
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13 40 STEVENS of Dickinson
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13 43 _____
13 44 SWAIM of Davis
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13 47 _____
13 48 D. TAYLOR of Linn
13 49
13 50
14 1 _____
14 2 T. TAYLOR of Linn
14 3
14 4
14 5 _____
14 6 THOMAS of Clayton
14 7
14 8
14 9 _____
14 10 WENDT of Woodbury
14 11
14 12
14 13 _____
14 14 WHITAKER of Van Buren
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14 17 _____
14 18 WHITEAD of Woodbury
14 19
14 20
14 21 _____
14 22 WINCKLER of Scott
14 23
14 24
14 25 _____
14 26 WISE of Lee
14 27 SF 2298.560 80
14 28 jp/pj